

2011 Property Tax Report

Wells County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Wells County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Wells County

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	6,972	96.8%	446	6.2%
No Change	109	1.5%	13	0.2%
Lower Tax Bill	123	1.7%	6,745	93.6%
Average Change in Tax Bill	41.8%		-36.0%	
Detailed Change in Tax Bill				
20% or More	4,805	66.7%	202	2.8%
10% to 19%	1,501	20.8%	88	1.2%
1% to 9%	666	9.2%	156	2.2%
0%	109	1.5%	13	0.2%
-1% to -9%	40	0.6%	255	3.5%
-10% to -19%	19	0.3%	468	6.5%
-20% to -29%	15	0.2%	970	13.5%
-30% to -39%	15	0.2%	1,596	22.2%
-40% to -49%	10	0.1%	1,635	22.7%
-50% to -59%	3	0.0%	1,012	14.0%
-60% to -69%	1	0.0%	332	4.6%
-70% to -79%	4	0.1%	172	2.4%
-80% to -89%	0	0.0%	126	1.7%
-90% to -99%	4	0.1%	100	1.4%
-100%	12	0.2%	79	1.1%
Total	7,204	100.0%	7,204	100.0%

Note: Percentages may not total due to rounding.

★★★★★
 LOSS OF STATE HOMESTEAD
 CREDIT AND LOWER LOCAL
 HOMESTEAD CREDITS RAISED
 HOMEOWNER TAX BILLS
 ★★★★★

The average homeowner saw a 41.8% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 36.0% lower than they were in 2007, before the property tax reforms.

93.6% of homeowners saw lower tax bills in 2011 than in 2007.

66.7% of homeowners saw tax increases of 20% or more from 2010 to 2011.

The largest percentage of homeowners have seen between a 30% and 49% decrease in their tax bills from 2007 to 2011.

Homestead Property Taxes

Homestead property taxes increased 41.8% on average in Wells County in 2011. This was much more than the state average of 4.4%. Wells County homestead taxes were still 36.0% lower in 2011 than they were in 2007, before the big tax reform. Wells has exceptionally high local homestead tax credits. The much larger-than-average homestead tax increase in 2011 was mostly due to a drop in Wells County's local property tax credits in 2011. The credits dropped because of a reduction in the local income tax revenues that fund them. Wells also reallocated some local income tax revenue to local nonhomestead residential credits, which reduced the amount of credits for homesteads. Homestead tax bills also increased due to the phaseout of the state homestead credit in 2011. The state homestead credit was 4.8% in Wells County in 2010.

Tax Rates

Property tax rates increased in all Wells County tax districts. The average tax rate increased by 4.4% because of a decline in certified net assessed value coupled with an increase in the levy. Levies in Wells County increased by 2.4%. The biggest levy increases were in the county health fund and the Northern Wells Community Schools bus replacement and capital projects funds, which were partially offset by a reduction in the school debt service fund. Wells County's total net assessed value increased 1.0% in 2011. (The certified net AV used to compute tax rates declined by 1.9%.) Homestead net assessments decreased by 0.4%, and agricultural net assessments increased by 3.8%. Other residential assessments showed an increase of 3.7%, while business net assessments showed no change in net assessments.

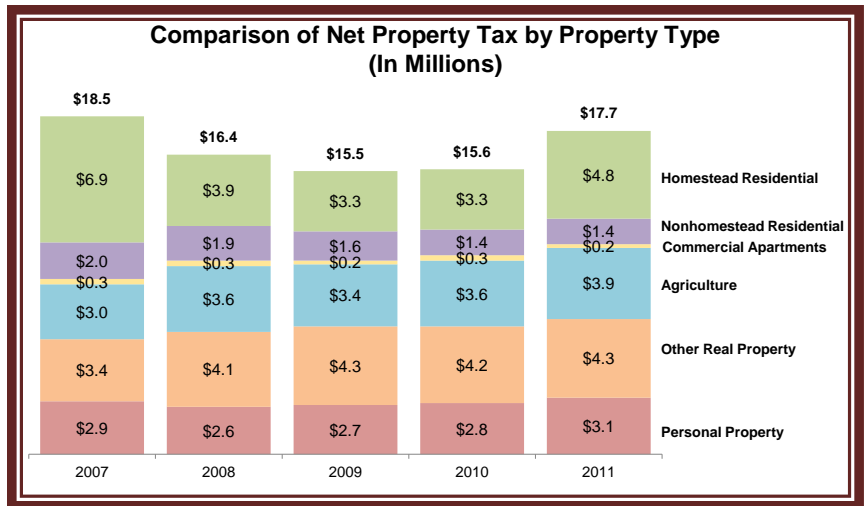
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**TAX INCREASES FOR AGRICULTURE AND
BUSINESS; DECREASES FOR OTHER
RESIDENTIAL AND APARTMENTS**

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Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 12.5% in Wells County in 2011, higher than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills decrease by 4%. Tax bills for commercial apartments fell 6.3%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment – rose by 4.3%. Agricultural tax bills rose 7.8%. This was partly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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**TAX CAP CREDITS DECREASED IN
2011 AND REMAINED VERY SMALL**

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Total tax cap credit losses in Wells County were \$56,391, or 0.3% of the levy. This was much less than the state average loss rate of 9.2% and much less than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Wells County's tax rates were lower than the state median.

More than two-thirds of the total tax cap credits were in the elderly category; most of the rest were in the 2% homestead category. Wells County had no district tax rates above \$3 per \$100 assessed value, so no business property in the 3% tax cap category qualified for credits. The largest percentage losses were in the town of Markle and the Huntington Library. The largest dollar losses were in the Bluffton-Harrison and Northern Wells School Corporations, the city of Bluffton, and the county unit.

Wells County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$0	\$72,836	\$0	\$1,376	\$74,212	0.4%
2011 Tax Cap Credits	116	14,708	0	41,567	56,391	0.3%
Change	\$116	-\$58,128	\$0	\$40,191	-\$17,821	-0.1%

Tax cap credits decreased in Wells County in 2011 by \$17,821, or 24%. The reduced credits

represent a gain of 0.1% of the total tax levy. The decrease in tax cap credits was in the 2% tax cap category. Wells County adopted a new local residential credit in 2011, which reduced tax bills for property in the 2% category. The elimination of the state homestead credit and the drop in local homestead credits caused a small increase in the 1% tax cap credit category.

The Effect of Recession

The 2009 recession had a mixed effect on Wells County assessments for pay-2011. Business property values and construction activity appear to have fallen in Wells County in 2009, but increases in other residential values and agricultural assessments offset this decline. Lower incomes in 2009 resulted in lower local income tax distributions in 2011, which reduced the local homestead credit. This credit reduction contributed to a rise in homestead tax bills, but did not increase tax cap credit losses very much, because tax rates in Wells are so low.

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**2009 RECESSION HAD MIXED EFFECTS
ON ASSESSMENTS IN 2011**

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$1,025,130,400	\$1,027,659,153	0.2%	\$434,352,442	\$432,753,840	-0.4%
Other Residential	78,170,000	80,975,100	3.6%	77,657,490	80,497,684	3.7%
Ag Business/Land	299,406,400	310,983,295	3.9%	298,866,850	310,213,265	3.8%
Business Real/Personal	625,058,813	616,811,952	-1.3%	409,926,841	409,780,715	0.0%
Total	\$2,027,765,613	\$2,036,429,500	0.4%	\$1,220,803,623	\$1,233,245,504	1.0%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Wells County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	%Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	27,357,019	29,168,567	17,795,686	18,225,963	18,659,688	6.6%	-39.0%	2.4%	2.4%
State Unit	28,950	32,733	0	0	0	13.1%	-100.0%		
Wells County	4,488,422	4,260,700	3,621,671	3,484,462	3,540,078	-5.1%	-15.0%	-3.8%	1.6%
Chester Township	25,685	26,412	26,303	26,475	26,363	2.8%	-0.4%	0.7%	-0.4%
Harrison Township	308,760	117,437	107,580	105,681	104,993	-62.0%	-8.4%	-1.8%	-0.7%
Jackson Township	13,446	14,324	14,401	13,988	13,934	6.5%	0.5%	-2.9%	-0.4%
Jefferson Township	67,508	68,875	64,571	63,818	63,101	2.0%	-6.2%	-1.2%	-1.1%
Lancaster Township	62,431	61,762	61,302	59,661	59,533	-1.1%	-0.7%	-2.7%	-0.2%
Liberty Township	26,326	35,941	35,322	34,600	34,499	36.5%	-1.7%	-2.0%	-0.3%
Nottingham Township	19,551	19,234	56,466	41,531	40,995	-1.6%	193.6%	-26.4%	-1.3%
Rockcreek Township	33,374	34,083	32,499	44,051	43,281	2.1%	-4.6%	35.5%	-1.7%
Union Township	28,614	28,829	26,963	26,584	38,504	0.8%	-6.5%	-1.4%	44.8%
Bluffton Civil City	2,492,043	2,487,526	2,348,216	2,294,924	2,282,653	-0.2%	-5.6%	-2.3%	-0.5%
Zanesville Civil Town	25,872	27,492	25,212	24,294	22,434	6.3%	-8.3%	-3.6%	-7.7%
Markle Civil Town	130,884	168,975	167,484	172,619	168,731	29.1%	-0.9%	3.1%	-2.3%
Ossian Civil Town	464,166	467,919	410,963	456,068	429,273	0.8%	-12.2%	11.0%	-5.9%
Poneto Civil Town	26,911	26,766	26,200	3,196	26,348	-0.5%	-2.1%	-87.8%	724.4%
Uniondale Civil Town	19,277	19,711	18,704	18,566	17,428	2.3%	-5.1%	-0.7%	-6.1%
Vera Cruz Civil Town	2,802	2,634	2,166	2,249	2,345	-6.0%	-17.8%	3.8%	4.3%
Southern Wells Community School Corp	2,790,494	3,230,778	1,539,979	1,760,660	1,751,966	15.8%	-52.3%	14.3%	-0.5%
Northern Wells Community School Corp	9,078,458	10,498,505	4,440,835	4,710,721	5,194,557	15.6%	-57.7%	6.1%	10.3%
M.S.D. Bluffton-Harrison School Corp	5,897,531	6,223,301	3,466,506	3,616,697	3,534,380	5.5%	-44.3%	4.3%	-2.3%
Wells County Public Library	1,184,637	1,176,626	1,159,585	1,117,751	1,114,488	-0.7%	-1.4%	-3.6%	-0.3%
Huntington Library	35,934	34,351	38,775	44,025	43,685	-4.4%	12.9%	13.5%	-0.8%
Wells County Solid Waste Mgt Dist	104,943	103,653	103,983	103,342	106,119	-1.2%	0.3%	-0.6%	2.7%

Wells County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
90001	Chester Township	1.1232	--	--	16.3118%	--	--	11.0211%	0.8162
90002	Poneto Town-Chester Township	1.9581	--	--	16.3118%	--	--	11.0211%	1.4229
90003	Harrison Township	1.5903	--	--	16.3118%	--	--	11.0211%	1.1556
90004	Bluffton City-Harrison Township	2.2123	--	--	16.3118%	--	--	11.0211%	1.6076
90005	Poneto Town-Harrison Township	2.4165	--	--	16.3118%	--	--	11.0211%	1.7560
90006	Verra Cruz Town	1.7428	--	--	16.3118%	--	--	11.0211%	1.2664
90007	Jackson Township	1.1151	--	--	16.3118%	--	--	11.0211%	0.8103
90008	Jefferson Township	1.2904	--	--	16.3118%	--	--	11.0211%	0.9377
90009	Ossian Town	1.6352	--	--	16.3118%	--	--	11.0211%	1.1883
90010	Lancaster Township	1.2633	--	--	16.3118%	--	--	11.0211%	0.9180
90011	Bluffton City-Lancaster Township-N Wells	1.9089	--	--	16.3118%	--	--	11.0211%	1.3871
90012	Bluffton City-Lancaster Township-Bluffton	2.2071	--	--	16.3118%	--	--	11.0211%	1.6038
90013	Liberty Township	1.1437	--	--	16.3118%	--	--	11.0211%	0.8311
90014	Poneto Town-Liberty Township	1.9700	--	--	16.3118%	--	--	11.0211%	1.4315
90015	Nottingham Township	1.1506	--	--	16.3118%	--	--	11.0211%	0.8361
90016	Rockcreek Township	1.2973	--	--	16.3118%	--	--	11.0211%	0.9427
90017	Markle Town-Rockcreek Township	2.5279	--	--	16.3118%	--	--	11.0211%	1.8370
90018	Uniondale Town-Rockcreek Township	1.6538	--	--	16.3118%	--	--	11.0211%	1.2018
90019	Union Township	1.2833	--	--	16.3118%	--	--	11.0211%	0.9325
90020	Markle Town-Union Township	2.5215	--	--	16.3118%	--	--	11.0211%	1.8323
90021	Uniondale Town-Union Township	1.6474	--	--	16.3118%	--	--	11.0211%	1.1971
90022	Zanesville Town-Union Township	1.5478	--	--	16.3118%	--	--	11.0211%	1.1247

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Wells County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Total	Levy	Circuit Breaker as % of Levy
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly				
<i>Non-TIF Total</i>	116	14,360	0	41,567		56,042	18,659,688	0.3%
<i>TIF Total</i>	0	349	0	0		349	388,156	0.1%
<i>County Total</i>	116	14,708	0	41,567		56,391	19,047,844	0.3%
Wells County	14	1,707	0	6,724		8,444	3,540,078	0.2%
Chester Township	0	0	0	11		11	26,363	0.0%
Harrison Township	0	13	0	296		309	104,993	0.3%
Jackson Township	0	0	0	7		7	13,934	0.1%
Jefferson Township	0	0	0	63		63	63,101	0.1%
Lancaster Township	0	0	0	101		101	59,533	0.2%
Liberty Township	0	0	0	90		90	34,499	0.3%
Nottingham Township	0	0	0	16		16	40,995	0.0%
Rockcreek Township	1	93	0	63		157	43,281	0.4%
Union Township	0	3	0	24		27	38,504	0.1%
Bluffton Civil City	0	349	0	8,391		8,740	2,282,653	0.4%
Zanesville Civil Town	0	0	0	30		30	22,434	0.1%
Markle Civil Town	50	5,634	0	800		6,484	168,731	3.8%
Ossian Civil Town	0	0	0	590		590	429,273	0.1%
Poneto Civil Town	0	43	0	26		69	26,348	0.3%
Uniondale Civil Town	0	0	0	7		7	17,428	0.0%
Vera Cruz Civil Town	0	0	0	0		0	2,345	0.0%
Southern Wells Community School Corp	0	0	0	1,694		1,694	1,751,966	0.1%
Northern Wells Community School Corp	38	4,300	0	7,393		11,732	5,194,557	0.2%
M.S.D. Bluffton-Harrison School Corp	0	653	0	12,758		13,412	3,534,380	0.4%
Wells County Public Library	0	55	0	2,075		2,130	1,114,488	0.2%
Markle Public Library	0	0	0	0		0	0	
Huntington Library	13	1,459	0	207		1,679	43,685	3.8%
Mideast Indiana Solid Waste Mgt Dist	0	0	0	0		0	0	
Wells County Solid Waste Mgt Dist	0	51	0	202		253	106,119	0.2%
TIF - Adams Street #1	0	343	0	0		343	368,436	0.1%
TIF - Adams Street #2 Bh	0	6	0	0		6	68	8.4%
TIF - Adams Street #2 Bl-L/NW	0	0	0	0		0	19,651	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.